



Export Control Reform:
Fulfilling the Promise
UPDATE
CONFERENCE ON EXPORT CONTROLS AND POLICY

The Use of the Entity List Today: *IED Counter-Proliferation Efforts*

The Expanded Entity List
Update 2013

U.S. DEPARTMENT OF COMMERCE
BUREAU OF INDUSTRY AND SECURITY

Use of the Entity List Today

- Introduction: Entity List 101 & Use of the Entity List Against Current Threats
- Export Enforcement and the Entity List
- A Soldier's Perspective
- Mitigating Diversion Risk: Transshipment Best Practices
- Q&A



Introduction

Entity List 101 and Use of the Entity List Against Current Threats



The Entity List: General Information

- The Entity List is a list of foreign persons for whom the export, reexport or transfer (in-country) of EAR items is subject to specific license requirements and policies.
- Entity List licensing requirements and policies are supplemental to those elsewhere in the EAR.
 - Part 744 of the EAR: Entity List criteria
 - Supplement 4 to Part 744: The Entity List
 - 516 persons located in 34 countries



The Entity List: General Information

- The Entity List is subject to ongoing review and revision. All changes to the Entity List are published in the *Federal Register*. In 2012, BIS published seven rules amending the Entity List.
 - *Supplement No. 5 to Part 744: End-User Review Committee Procedures*



The Entity List

What does the Entity List Do?

- The Entity List informs the public of:
 - Persons and organizations subject to specific licensing requirements and policies,
 - Location(s) of listed entities, their aliases and other available identifying information, and
 - The availability of license exceptions to each entity, if any.



Entity List: General Information

Entity List Criteria: “Classic” Criteria

The criteria for addition to the Entity List are found in part 744 of the EAR, and include:

- Proliferation activities, including:
 - *Missiles*
 - *Nuclear Activities*
 - *Chemical/Biological Weapons*
- Executive Order sanctions



The “Expanded Entity List”

“New” Criteria:

- In August 2008, BIS published a rule expanding the criteria for inclusion in the Entity List.
- The new criteria allowed for the addition of persons that the USG determines are engaged in activities contrary to the national security or foreign policy interests of the United States or are acting on behalf of such persons.



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Export Enforcement Activities



Export Enforcement Focus:

- The Department of Commerce's Office of Export Enforcement and Office of Export Analysis, in collaboration with defense, intelligence, and law enforcement partners from throughout the Government, have focused on disrupting and dismantling procurement networks around the world that are intent on killing or injuring U.S. and Coalition Forces.
- The Department of Commerce, along with multiple other Government agencies, has been instrumental in identifying and targeting networks responsible for killing and maiming U.S. Forces personnel, partnering Coalition military personnel, and non-combatant civilians in Iraq, Afghanistan and neighboring Pakistan, through the use of improvised explosive devices (IEDs).



Counter-IED Accomplishments

- Working with its interagency partners, the Department of Commerce has identified and placed subjects (targets) on specific designation lists, including the Entity List.
- In some cases, as a result of Export Enforcement's efforts, contractors paid millions in U.S. contract dollars were disbarred.
- Since 2007, Export Enforcement has completed over 15 criminal investigative cases; analytic work is on-going in an additional 13 criminal investigative cases.
 - A group of persons is awaiting extradition from Singapore for its role in the illicit transfer of over 6,000 electronic devices to trigger IEDs.



Counter-IED Accomplishments

Entity List Additions:

- Since 2008, BIS has added 154 persons to the Entity List on the basis of their involvement in IED networks and/or their provision of support to persons engaged against U.S. and Coalition forces in Iraq and Afghanistan.
 - September 22, 2008 (73 FR 54499): *115 persons*
 - October 31, 2011 (76 FR 67059): *8 persons*
 - November 21, 2011 (76 FR 71867): *13 persons*
 - April 27, 2012 (77 FR 25055): *16 persons*
 - November 29, 2012 (77 FR 71097): *2 persons*



Counter-IED Accomplishments

- Exports, reexports and transfers of all items subject to the EAR to all the 154 IED-related persons added to the List since 2008 require a license and are subject to a license review policy of a presumption of denial.
- Several of the persons have appealed their inclusion on the Entity List to BIS.



Counter-IED Accomplishments

- The Department of Commerce has furthered the United States' response to counter IED capabilities by assisting other agencies, such as the FBI's Threat Explosive Detection Analytical Center, in better understanding emerging IED technologies and trends.



Counter-IED Accomplishments

“The dual-use materials provided to insurgents by these foreign companies are used to make improvised explosive devices, or IEDs, that kill and injure not only U.S. and coalition forces, but innocent civilians as well. Through coordinated efforts and strong partnerships across the U.S. Government, we are able to go after these nefarious actors and effectively counter the networks that use IEDs against our troops.”

- Lieutenant General Michael Barbero, head of DoD's Joint Improvised Explosive Device Defeat Organization



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A Soldier's Perspective



Mitigating Diversion Risk: *Transshipment Best Practices*



Mitigating Diversion Risk

- Diversion is common in the following types of shipments:
 - *Transit*
 - *Transshipment – most common*
 - *Reexport*
- Transshipment is a routine and often legitimate part of world trade that has many logistical benefits. It can also be used illegally to disguise actual countries of ultimate destination or to create risks of diversion to unauthorized end-use or end-users.



Transshipment Best Practices

- Pay attention to the Red Flag Indicators
 - *Supplement No. 1 to part 732 of the EAR*
- Use only those trade facilitators/freight forwarders that administer sound export management and compliance programs.
- Get detailed information on the credentials of your customers – verify their *bona fides*.
- Avoid routed transactions under most circumstances.



Transshipment Best Practices

- When Destination Control Statements (DCS) are required, provide the appropriate ECCNs and the final destination for each export to the end-user (and ultimate consignee)
 - *When DCS are not required, classification information and destination should be provided on commercial documentation.*
- Provide ECCNs to freight forwarders; report in AES the ECCN for all export transactions, including “No License Required” designations.
- Use information technology extensively for “know your customer” and other due-diligence activities.



Transshipment Best Practices

- <http://www.bis.doc.gov>
 - Compliance and Training
 - Export Management & Compliance
 - Transshipment Best Practices



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Questions and Answers





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US ARMY WARRIOR TRANSITION COMMAND

AW2 Speakers Bureau Presentation

MSG Jarrett Jongema
Adaptive Sports & Reconditioning Branch



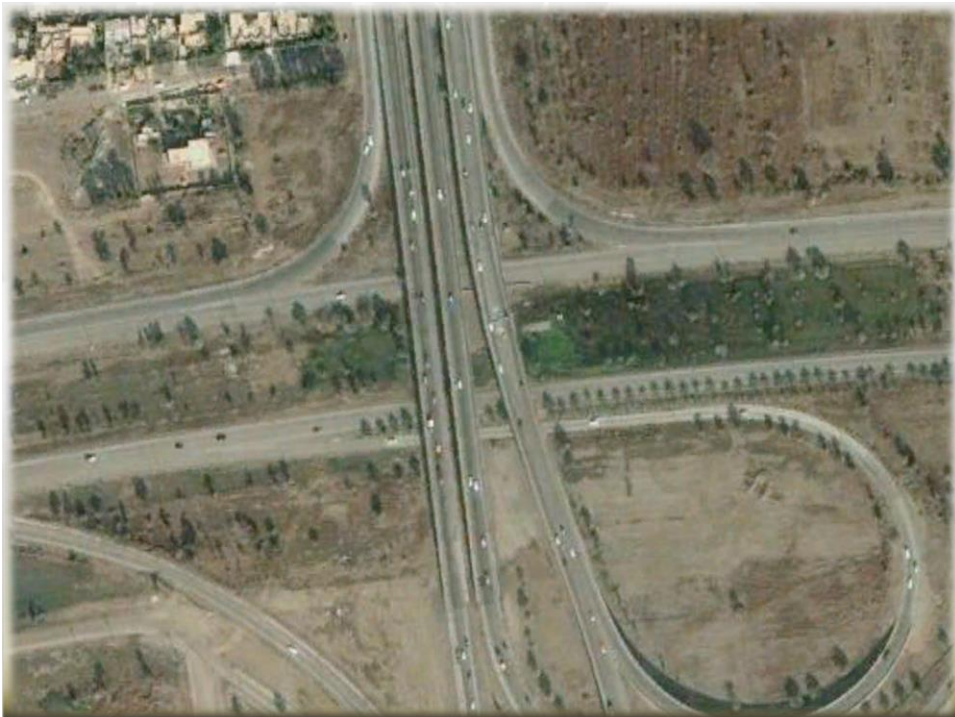
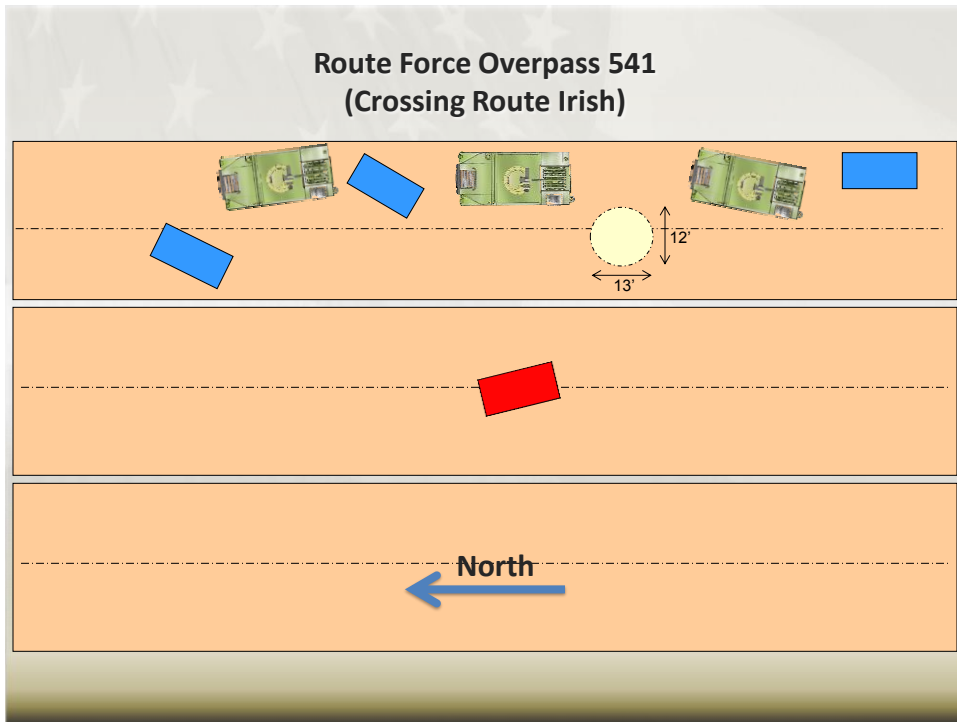
SOLDIER SUCCESS THROUGH FOCUSED COMMITMENT

UNCLASSIFIED / FOUO

When did my recovery really begin?















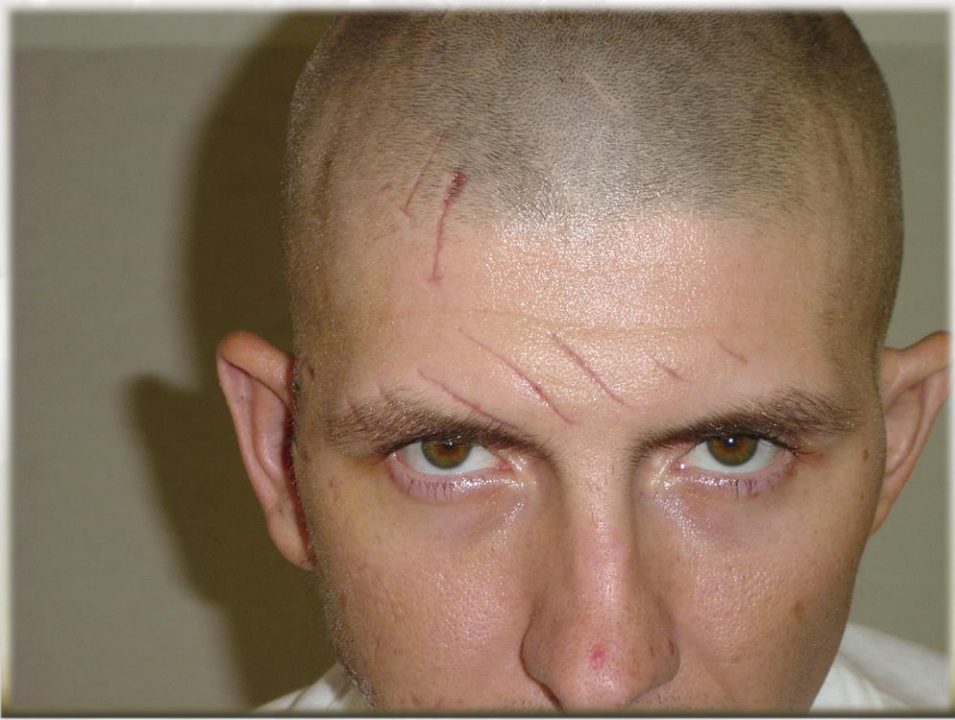




Personal Injuries















Questions?